



BETTY T. YEE
California State Controller

September 30, 2016

Mark Cowin, Director
Department of Water Resources
1416 Ninth Street, Room 1115-1
Sacramento, CA 95814

Dear Mr. Cowin:

The State Controller's Office reviewed claims submitted by the City of Santa Cruz under the Flood Control Subventions Program. Our review objective was to determine whether the costs claimed as presented in the attached Summary of Project Costs are allowable and in compliance with the California Department of Water Resources' Guidelines for State Reimbursement on Flood Control Projects. Our review was limited to validating employee salary costs and consultant costs.

The city claimed costs of \$106,758 for the San Lorenzo River Flood Control project for the period of December 7, 2013, through February 5, 2016. Our review disclosed that the entire amount is allowable.

If you have any questions, please contact Christopher Lek, Interim Chief, Local Government Audits Bureau, by telephone at (916) 284-0120.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/rg

Attachment:

Attachment—Summary of Project Costs

cc: Patrick Luzariaga, Chief
Flood Control Subventions Program
Division of Flood Management
Department of Water Resources
Cynthia Mathews, Mayor
City of Santa Cruz
Joe Hall, Project Manager
Economic Development Department
City of Santa Cruz
Martin Bernal, City Manager
City of Santa Cruz

RE: S17-FLC-9000

**Attachment—
Summary of Project Costs
December 7, 2013, through February 5, 2016**

<u>Project/Claim Number</u>	<u>District Claim Number</u>	<u>Costs Claimed and Reviewed</u>	<u>State Share of Eligibility Percentage¹</u>	<u>State Share of Allowable Costs</u>
SLOR 2016-01	29	\$ 72,022	70%	\$ 50,416
SLOR 2016-01	30	<u>34,736</u>	70%	<u>24,315</u>
Totals		<u>\$ 106,758</u>		<u>\$ 74,731</u>

¹ The state share of allowable project costs represents the percentage of state funding, as stipulated in the California Water Code, for each project cost category.